



DLA PIPER

33 Arch Street, 26th Floor
Boston, Massachusetts 02110-2600
main 617.406.6000 fax 617.406.6100

JESSICA W. MANCHESTER
jessie.manchester@dlapiper.com
direct 617.406.6001

December 13, 2006

VIA ELECTRONIC FILING

Civil Clerk's Office
United States District Court for
the District of Massachusetts
One Courthouse Way
Boston, MA 02210

Re: Hearts On Fire Company LLC v. EightStar Diamond Company and
GRS Jewelers, Inc.
Civil Action No. 04-12258-JLT

Dear Sir or Madam:

Plaintiff Hearts On Fire Company LLC and defendant EightStar Diamond Company hereby report that the above referenced action that was scheduled to begin trial on January 16, 2007 before Judge Tauro has settled.

Accordingly, please find attached a proposed Consent Judgment and Permanent Injunction the parties would like the Court to enter with a copy of the Settlement Agreement attached.

Thank you.

Very truly yours,

Jessica W. Manchester
Jessica W. Manchester

JWM:clc

Encs.

cc: James Phillips, Esq. (w/encs.)

Robert P. Sherman, Esq. (w/encs.)